



United States Attorney's Office  
District of Columbia

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Acting United States Attorney

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## PRESS RELEASE

FOR IMMEDIATE RELEASE  
Wednesday, December 9, 2009

USAO Public Affairs  
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### **Former Investigative Specialist Sentenced for Falsification of Federal Background Investigations**

WASHINGTON - A 25-year-old former investigative specialist at U.S. Investigations Services, Inc. ("USIS"), Kayla M. Smith, who conducted credit checks in connection with background investigations on behalf of the U.S. Office of Personnel Management ("OPM"), was sentenced today to a three-year period of supervised probation for fraud in the second degree, announced Acting U.S. Attorney Channing D. Phillips. Smith, of Parker, Pennsylvania, was sentenced by U.S. Magistrate Judge Alan Kay, after pleading guilty in August 2009. The Court also ordered Smith to pay \$95,275.37 in restitution to USIS and \$4,262.26 in restitution to OPM.

According to a factual proffer agreed to by Smith at the plea hearing, Smith was employed as a Special Agent of OPM and assigned to the Federal Investigative Services Division ("FISD"), where her job was to conduct federal background investigations. FISD, formerly known as the Center for Federal Investigative Services, is responsible for conducting background investigations for numerous federal agencies and their contractors, on individuals either employed by or seeking employment with those agencies or contractors. The purpose of the background investigations is to determine an individual's suitability for positions with access to classified information, that impact national security, or that require a security clearance.

In conducting background investigations, FISD investigators conduct interviews of individuals who have information about the person who is the subject of the background investigation. In addition, FISD investigators seek out, obtain, and review documentary evidence, such as employment records, to verify and corroborate information provided by either the subject of the background investigation or by persons interviewed during the investigation. After conducting interviews and obtaining documentary evidence, FISD investigators prepare a Report of Investigation ("ROI"), containing the results of the interviews and document reviews, and electronically submit the ROI to OPM in Washington, D.C. OPM then provides a copy of the investigative file to the requesting agency, which can use the information to determine an individual's eligibility for employment.

On or about July 23, 2008, in an ROI of a background investigation of R.C., Smith represented that she had received no response to her multiple requests to four separate creditors for credit checks on R.C., when, in truth and in fact, Smith had received credit information relating to R.C. from all of these entities. On the same date, Smith electronically submitted to OPM in Washington, D.C., her ROI on the background investigation of R.C., which Smith knew contained the above-mentioned false representations. These false representations were material, as they influenced the government's decisions and activities with respect to R.C.

Between in or about March 2007 and August 2008, in approximately one out of every three credit checks in her ROI's on background investigations, Smith represented that she had received no response to her multiple requests to creditors and collection agencies for credit checks when, in truth and in fact, Smith had received credit information relating to the subjects from these entities. Smith electronically submitted to OPM in Washington, D.C., these ROI's, knowing that they contained false representations. These false representations were material, as they influenced the government's decisions and activities with respect to the subjects of those background investigations. Smith engaged in this scheme and systematic course of conduct with the intent to defraud and to obtain property of USIS, that is, a portion of her salary, through her false representations in her ROI's.

Smith's false representations in her ROI's on background investigations have required USIS, under the supervision of OPM-FISD, to reopen numerous background investigations and redo numerous credit checks that were assigned to Smith during the time period of her falsifications, at a cost, as of the time of her plea, of \$95,275.37 to USIS and \$4,262.26 to OPM-FISD.

In announcing the guilty plea, Acting U.S. Attorney Phillips praised the hard work of Special Agent Derek M. Holt, OPM, Office of the Inspector General, and Philip Kroop, Group Chief, Integrity Assurance, FISD. Acting U.S. Attorney Phillips also acknowledged the efforts of Assistant U.S. Attorneys Ellen Chubin Epstein and Thomas E. Zeno, who investigated and prosecuted this matter.

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